

Interior Design SERVICES AGREEMENTS

Guide to Using the ARIDO Forms ▼

Background

ARIDO has developed two forms of Agreements for use by members of ARIDO. The first, explained in this Guide, is a Letter of Agreement and the second is a Long-form Contract. Either agreement is suitable in most contexts and will ultimately be used at the preference of the Interior Designer. The Letter of Agreement is less complex than the Long-form Contract. Careful consideration of which form of agreement suits each particular project is strongly advised. These agreements are provided for reference and convenience only.

The letter of agreement and the long-form agreement are not suitable for all design projects, and ARIDO makes no representation that they are suitable for a particular purpose or project.

Once signed, the agreements have important legal consequences, and consultation with your lawyer is encouraged and recommended with respect to their completion or modification.

1 Introduction – Client Information and Design Project Site

The Letter of Agreement is to be placed on the letterhead of the Interior Designer or the Design Firm. While it is in the form of a letter, once signed, it forms the legally binding agreement between the Interior Designer and Client. Be sure to complete the applicable information in the body of the letter and in the Schedule. The Long-form Contract does not need to be placed on letterhead.

2 Interior Design Project

A brief description of the project should be inserted here.

3 Scope of Interior Design Services

The specific services to be provided by the interior designer are to be set out in detail in Schedule A. The form Letter of Agreement includes 5 phases for the interior design services. The suggested phases are a guide only and in no way limit how the services may be described. Deletion of or changes to these phases will necessitate revisions to fee section of Schedule A and to Schedule B (Client Approval and Sign-Off).

From time to time, the working drawings produced by the Interior Designer may be required to be stamped with a BCIN (Building Code Identification Number) for permit application. If a permit is required, the Client may be required to retain the services of other consultants, including those with a BCIN. The Scope of Interior Design Services should specify if it is the Interior Designer's responsibility to apply for a permit.

4 Interior Design Fees

There are a variety of ways that the Interior Designer can charge for his or her services. The Letter of Agreement sets out flat rates per phase. The long-form contract includes a retainer and other options for fees, including by hourly rate, by square footage or by volumetric fee.

If the method of billing is by way of hourly rate, consider using the following provision:

The Client shall pay a fee equal to the total number of hours expended by persons performing the Services multiplied by their respective hourly rates as set out below to the Interior Designer for completion of the Design Project (the "Interior Design Fees"):

Principal Designer..... Dollars (\$) per hour
Junior Designer..... Dollars (\$) per hour
Other..... Dollars (\$) per hour

(Insert other type of specialist/tradesperson as appropriate)

Any compensation method added to this section should specify how payments are to be applied and whether there is any connection to the scope of services. Related revisions to the scope of services description will likely be necessary.

5 Exclusions

Certain expenses and disbursements are generally not included in the interior design fee. Identify any exclusions in this section.

6 Retainer

The Interior Designer is to decide whether to require a retainer payment from the Client upon execution of the Agreement. If so, complete the details of this section. If not, delete this section.

7 Additional Services

If the interior design services are provided for a fixed fee, this section describes what the fees related to costs outside of the original scope of services. If the Interior Designer bills by hourly rate, this section will need to be revised. It should still be provided that any changes to the scope of services must be agreed by both the Interior Designer and the Client.

8 Revisions

Providing for a certain number of revisions is a business decision for the Interior Designer. If the fee does not include revisions, this section may be deleted.

9 Payment of Fees and Disbursements

Sample payment terms included. Interior Designer must confirm own payment terms as billing can be done at any time. For example, at the end of each phase, on a monthly basis or as otherwise required by the Interior Designer.

10 Client's Responsibilities

Detailed list of client responsibilities included. Interior Designer is to insert any additional responsibilities applicable to each specific project.

11 Consultants

If consultants and other third parties will be retained for the project, use this section to describe who will be retained and who will be responsible for compensating them.

12 WSIB

Where a design firm or interior designer is engaged in an activity that WSIB considers to be construction, such as design/build, or if the firm directly hires sub-trades on behalf of the client and bills the client for the service provided by the sub-trade, then WSIB considers the firm and/or the interior designer to be in construction. The Interior Designer and/or the firm will be required to register with WSIB and start paying premiums.

Both the letter of agreement and the long-form contract provide for the hiring of sub-trades or contractors be done by the client. Interior designers who follow this practice will not be required to obtain WSIB coverage as they will be considered to be offering only design services. Those interior designers who choose to hire the sub-trades or contractors on behalf of the clients will no longer be exempt from WSIB as indicated above.

Residential Design and WSIB

For those interior designers that exclusively do only residential design and may hire a painter or other trade on behalf of the client, you are exempt from the requirement of Bill 119 and do not have to register with the WSIB.

However, if you do mixed residential and commercial work, and are hiring sub-trades on behalf of the client, you are no longer exempt and you will need to register with WSIB.

13 Ownership of Design/Copyright

The letter of agreement provides that the Interior Designer retains the ownership of all works created or produced by the Interior Designer. If the Interior Designer agrees to assign the ownership to the Client then this section will need to be revised.

14 Publicity

Include any other rights of publicity that the Interior Designer expects so that the Client understands from the outset. The Client is required to acknowledge that the third parties may only publish the Design Project with the prior written consent of the Interior Designer. Any separate agreements between the Interior Designer and such third parties should also address this issue.

15 Termination

The circumstances described for termination of the Agreement are neither mandatory nor exhaustive. The Interior Designer should only include those circumstances applicable to the Interior Designer's business. If termination on notice [section 14(a)(vi)] is to be included, insert the number of days notice (i.e. 30 days).

16 Sign-off and Approval

the Letter of Agreement includes a Sign-off and Approval Schedule. The phases of sign-off are related to the phases described in the scope of services. If the Interior Designer's scope of services is not described by phases then this section and Schedule B should be revised accordingly.

17 Standard Terms and Conditions

The Interior Designer must conduct a careful review of the general Standard Terms and Conditions attached to the Letter of Agreement and determine whether such provisions apply to the Interior Designer's business. The Designer Purchases section does not account for any discount that the Interior Designer might pass along to the Client. If the Interior Designer intends to pass a discount on to the Client, such intention should be set out in this section.

18 The Design Agreement

Any handwritten changes should be initialled by both the Interior Designer and the Client. On the signature lines, be sure to complete the full legal name of each party and if someone is signing on behalf of a corporation, set out his or her full legal name and title.

Neither this Guide nor the Letter of Agreement should be considered legal advice relating to specific facts or situations. The Interior Designer should seek legal advice on the applicability of the provisions in the Letter of Agreement and the Standard Terms and Conditions to the Interior Designer's business.

Applicable ARIDO Bylaws and Standards ►

A Business and Professional Ethics

1. A Member shall comply with all laws, regulations, standards of practice and the Act and By-laws of the Association.
5. A member shall not reduce the Member's professional services fees which are supplemented or replaced by the sale of goods or provision of services unless such reduction is made a condition of a contract which expressly outlines the method of changing for professional services.
6. A Member shall make full disclosure of the Member's fees, the services to be performed and the method of determining compensation for those services, and shall maintain appropriate documentation in the form of a written contract or other form to constitute evidence of such disclosure.
15. A member shall not make use of goods or services offered by manufacturers, suppliers or contractors if such use is accompanied by a direct or indirect condition or obligation without disclosure to and written consent of the Member's client
16. A Member shall to the best of the Member's ability carry out the terms of every contract to provide interior design services that the Member enters into in accordance with the terms thereof.
17. A Member shall not withdraw the Member's services except for a good cause and upon reasonable written notice in accordance with a written agreement, if any. Where the services of a Member are terminated, the Member shall make best efforts to cooperate with other Members or professionals to ensure the continuity of the services.